MARCH 1975

SUPPLEMENT TO LMS-201

LIVESTOCK AND MEAT Situation

Economic Research Service

U.S. Department of Agriculture

This is the first issue of a supplemental report which will be published in months between the full-length Livestock and Meat Situation. The regular Livestock and Meat Situation will be released in February, April, June, August, October and December.

Cattle

Burdensome slaughter supplies plagued the cattle market during January and February, pushing cattle prices lower. Choice steers at Omaha averaged $36.27 per 100 pounds in January and fell to $34-$35 during most of February, the lowest since the autumn of 1972. Cattle slaughter under Federal inspection during most weeks of this year has been running at near-record levels, in excess of 700,000 head per week.

Lower prices for all classes of cattle have worsened the financial condition of cattle feeders and cattle producers alike as their cost of production remains well above receipts. Feeder cattle prices this winter are about half of year-earlier levels at near $25-$27 per 100 pounds while production costs have continued up. The financial strain on cow-calf producers is being at least partly reflected by the continued heavy slaughter of cows and other nonfed cattle. Many cattlemen are unable, or unwilling, to feed smaller and expensive roughage feed supplies to the record herd of cattle outside of feedlots. Forced marketings have been the result.

The perplexing situation is illustrated by the sharp decline in the value of cattle, reducing producers' incentives to hold animals on farms. On January 1, for example, the average value per animal was $159 per head, down 50 percent from a year earlier. Although the cattle herd grew 4 million head in 1974, the total value dropped from $41 billion on January 1, 1974, to $21 billion on January 1, 1975.

Financial losses to cattle feeders have continued to restrict the flow of feeder cattle into feedlots. Placements during January in the seven major cattle feeding States were down 42 percent from a year earlier. Marketings of cattle from feedlots in the seven States exceeded placements, further drawing down inventories. These States reported just over 6 million cattle on feed on February 1, or 37 percent fewer than a year earlier.

Placement of heavier cattle on feed for a shorter period of time has increased the turnover rate of cattle in feedlots. In January, for example, fed cattle marketings from the reporting States were down only 13 percent from a year earlier, even though inventories were down 32 percent at the beginning of the month. This kind of pattern will likely continue through most of 1975.

January 1 feeder cattle supply

	1973	1974	1975	% 3/
	1,000 head			
Calves under 500 lb.				
On farms	32,229	33,942	36,342	+ 7
On feed 1/	2,024	1,575	989	-37
Feeder supply	30,205	32,367	35,353	+ 9
Steers and heifers over 500 lb. 2/				
On Farms	22,989	24,623	22,887	- 8
On Feed 1/	12,323	11,926	9,036	-24
Feeder supply	10,666	12,697	13,851	+ 9
Total feeder supply	40,871	45,064	49,204	+ 9

1/Estimated U.S. steers and heifers. 2/Not including heifers for cow replacements. 3/Percent change from 1974.

Although nonfed steer and heifer slaughter and calf slaughter have been up sharply, the feeder cattle supply continues to grow as feedlot placements contract. The January 1 inventory of heavy steers and heifers was smaller than a year earlier, but there were fewer cattle already on feed at

the beginning of the year, leaving 9 percent more heavy cattle outside of feedlots and available for placement or slaughter. A 9 percent increase in the available supply of feeder calves weighing less than 500 pounds on January 1 will provide a substantial supply of heavy feeder cattle by mid-year, even though slaughter out of the heavy feeder cattle supply will be large during the first half of the year.

Commercial cattle slaughter in January totaled 3.5 million head, up 14 percent from a year earlier. This was the largest for any January on record and only slightly smaller than the previous record for any month, set last October at 3.6 million head. As in previous months, all of the increase in slaughter was in cows and nonfed steers and heifers. Fed cattle in January made up less than 60 percent of the slaughter supply. Cow slaughter was up 30 percent from a year earlier. The larger proportion of nonfed cattle in the slaughter mix this year is keeping average slaughter weights well below last year's level, so increases in beef production have been less than increases in cattle slaughter.

Prospects for price strength in the spring still look good, although demand from a slumping economy is uncertain at best. Fed cattle marketings will remain low in the spring, and cow slaughter should decline seasonally as grazing resumes. Smaller supplies of pork will also be a price-strengthening factor in the cattle market.

Hogs

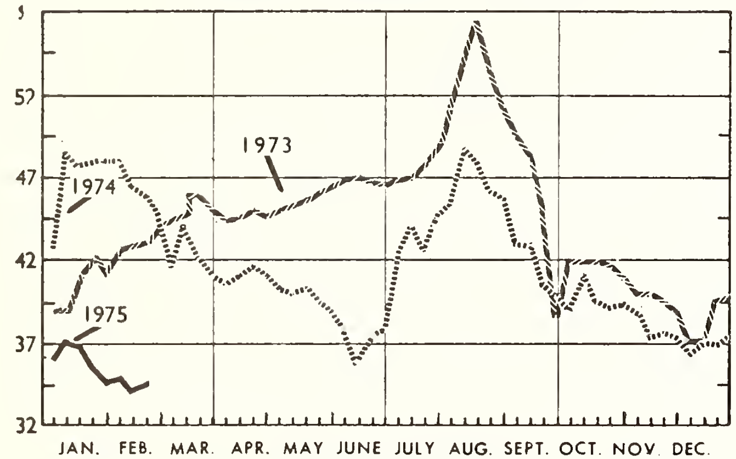
Hog prices have remained strong so far in 1975 as slaughter and production dip from fall and year-earlier levels. Commercial hog slaughter in January was down 7 percent from last year and a slight reduction in weights cut pork production 8 percent. Estimated commercial sow slaughter in January dipped 16 percent under the January 1974 level. Federally inspected hog slaughter in February remained below a year earlier. Most hog farmers recently have been able to cover production costs as corn prices dipped and hog prices held up.

Further strength in the hog market is expected in the coming months as slaughter supplies begin to drop off more sharply in the spring. Substantial price increases, however, are not likely unless the cattle market improves much more than now seems probable.

Table 1.—Number of cattle and calves on farm and ranches January 1, by classes, United States, 1965 to date

Year	Beef cows	Beef cow replacements	Milk cows	Dairy cow replacements	Other heifers, 500 lb. and over	Steers 500 lb. and over	Heifers, steers and bulls under 500 lb.	Bulls 500 lb. and over
	1,000 head	*1,000 head*	*1,000 head*	*1,000 head*	*1,000 head*	*1,000 head*	*1,000 head*	*1,000 head*
1965	33,400	5,700	15,380	4,780	5,980	14,050	27,530	2,180
1966	33,500	5,760	14,490	4,450	5,990	14,770	27,752	2,150
1967	33,770	5,900	13,725	4,215	6,100	14,780	28,138	2,155
1968	34,570	6,110	13,115	4,080	6,120	14,820	28,461	2,195
1969	35,490	6,150	12,550	3,990	5,930	14,905	28,780	2,220
1970	36,689	6,431	12,091	3,880	6,132	15,265	29,609	2,272
1971	37,877	6,664	11,909	3,843	6,113	15,610	30,235	2,327
1972	38,807	6,987	11,778	3,828	6,399	15,999	31,688	2,376
1973	40,918	7,436	11,624	3,874	6,434	16,555	32,229	2,466
1974	43,008	8,226	11,286	3,942	6,821	17,802	33,942	2,645
1975	45,421	8,879	11,217	4,095	6,509	16,378	36,342	2,987

CHOICE STEERS – OMAHA



*STEERS SOLD OUT OF FIRST HANDS FOR SLAUGHTER.

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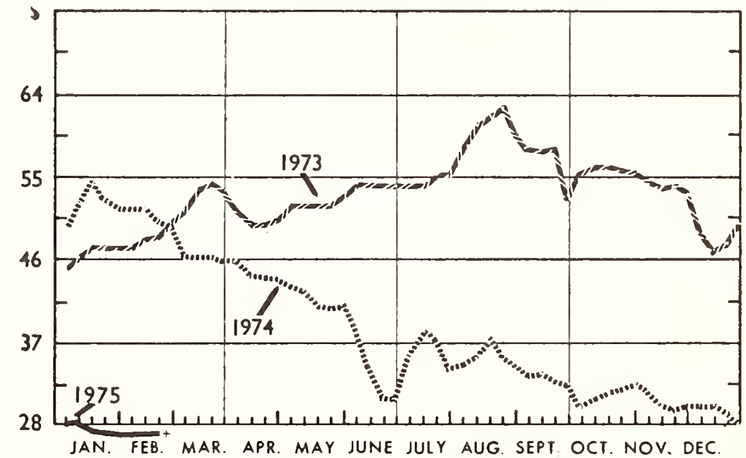
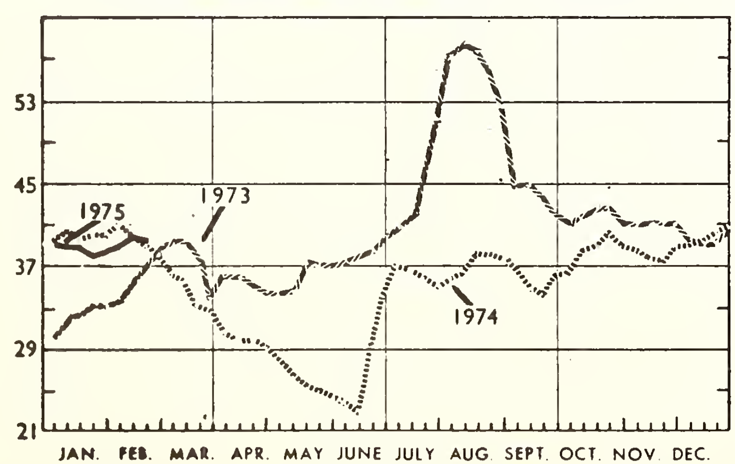
CHOICE FEEDER STEERS–OMAHA*



*AVERAGE OF DAILY QUOTATION – 600-700 POUNDS.

U.S. DEPARTMENT OF AGRICULTURE — + 27.00 — LIVESTOCK DIVISION – AMS

AVERAGE PRICE BARROWS & GILTS*



*SEVEN MARKETS COMBINED

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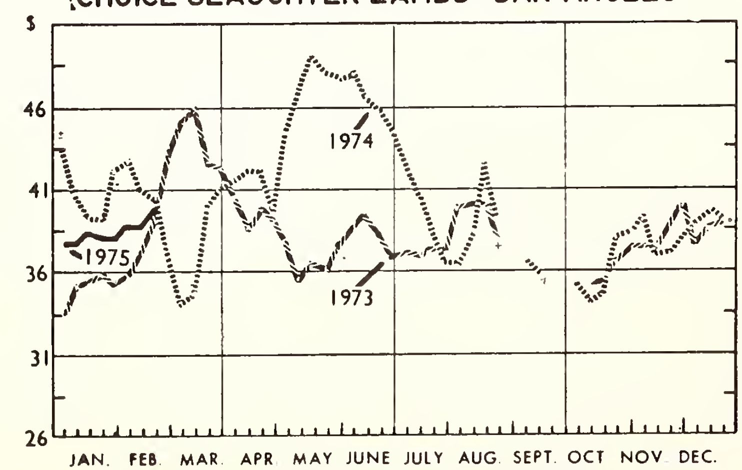
CHOICE SLAUGHTER LAMBS–SAN ANGELO*



*AVERAGE OF DAILY QUOTATION, SPRING LAMBS QUOTED MARCH TO OCTOBER, WOOLED LAMBS OCTOBER TO MARCH.

+ no sales confirmed from Aug. 25–Oct. 19, 1973.

X no sales confirmed * holiday

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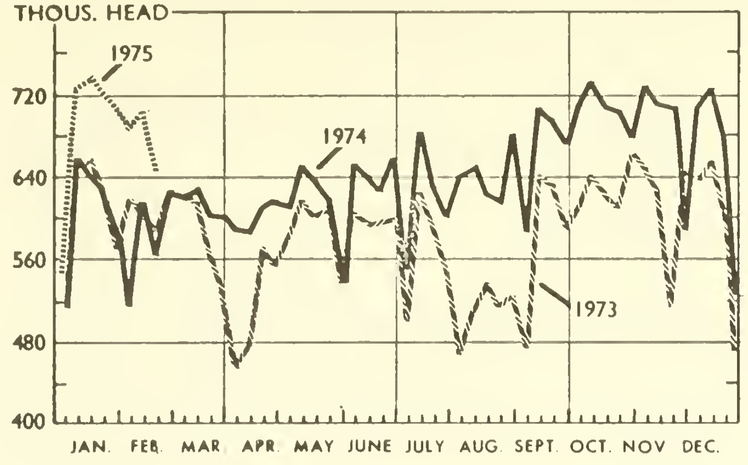
F.I. CATTLE SLAUGHTER



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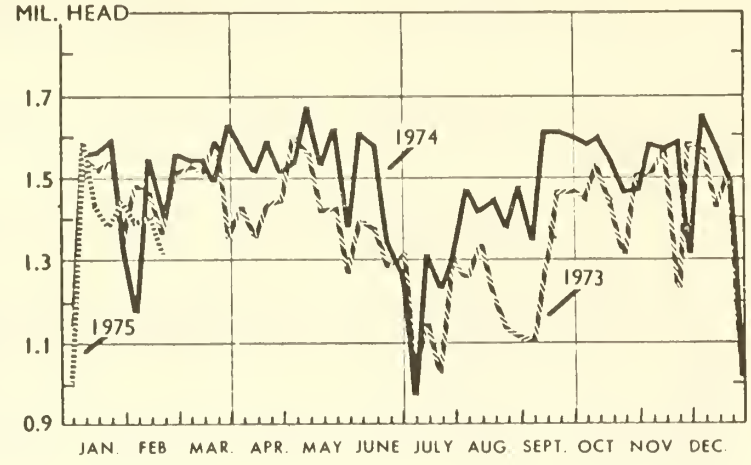
F.I. HOG SLAUGHTER



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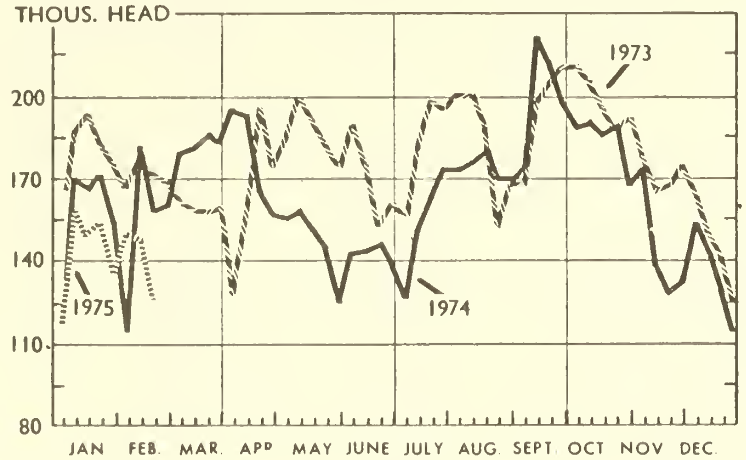
F.I. SHEEP & LAMB SLAUGHTER



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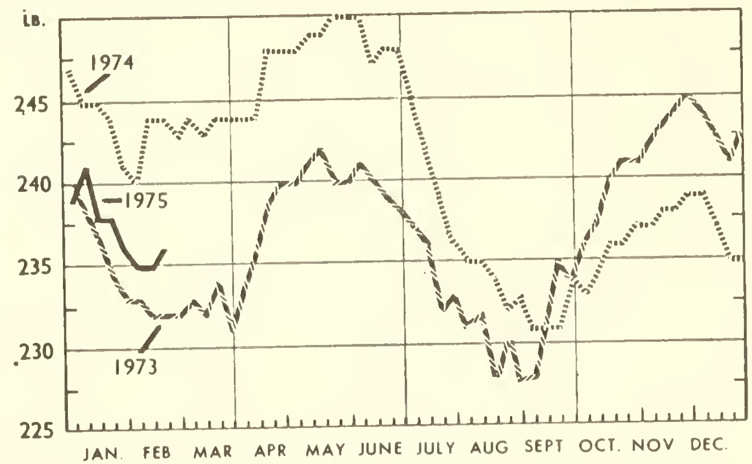
LIVE WEIGHT BARROWS & GILTS*



*SEVEN MARKETS COMBINED

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Selected price statistics for meat animals and meat

Item	1974					1975	
	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
	Dollars per 100 pounds						
CATTLE AND CALVES							
Beef steers, slaughter, Omaha							
Prime	48.94	42.65	40.81	38.98	37.76	37.02	35.88
Choice	47.23	41.41	39.75	38.04	37.05	36.27	34.80
Good	44.07	39.20	37.83	36.16	35.36	34.30	32.77
Standard	38.81	35.70	33.97	33.05	31.85	29.52	28.37
Utility	35.64	33.62	32.54	---	---	---	---
All grades	46.14	40.64	39.21	37.54	36.46	35.59	34.12
Choice 900-1100 pounds, California	46.02	41.00	39.95	38.75	38.75	39.65	37.19
Choice 900-1100 pounds, Colorado	48.15	41.56	40.11	38.19	37.66	36.65	34.52
Cows, Omaha							
Commercial	24.36	22.46	19.68	17.70	17.81	16.86	18.19
Utility	24.54	22.56	19.68	17.62	17.67	16.82	18.18
Cutter	23.08	21.04	17.65	15.72	15.91	15.00	16.02
Canner	21.45	19.48	16.18	13.69	13.81	12.96	13.58
Vealers, Choice, S. St. Paul	44.90	43.44	40.12	36.48	34.46	36.88	40.25
Stocker and feeder steers, Kansas City[1]	33.26	29.80	29.80	27.97	28.05	26.79	26.82
Price received by farmers							
Beef cattle	36.60	32.80	30.50	28.30	27.60	27.60	26.90
Cows	24.00	21.80	19.00	17.30	17.00	16.50	18.10
Steers and heifers	40.30	35.50	33.20	31.70	31.00	31.00	29.60
Calves	34.30	29.90	27.50	25.60	24.80	23.90	24.30
Beef steer-corn price ratio[2]	13.0	11.7	10.8	10.9	10.8	11.6	12.3
HOGS							
Barrows and gilts, U.S. No. 1 and 2, Omaha							
180-200 pounds	---	---	---	---	---	---	---
200-220 pounds	38.86	36.21	39.42	38.90	41.28	39.68	40.20
220-240 pounds	39.04	36.48	39.46	38.92	41.30	39.79	39.89
Barrows and gilts, 7 markets[3]	37.56	35.79	38.86	38.34	39.93	38.93	39.57
Sows, 7 markets[3]	29.66	29.04	33.39	33.57	33.78	35.01	36.47
Price received by farmers	36.10	33.60	37.10	36.70	38.30	38.20	38.40
Hog-corn price ratio[4]							
Omaha, barrows and gilts	10.5	10.3	10.6	11.0	11.8	12.6	14.1
Price received by farmers, all hogs	10.7	10.2	10.8	11.1	11.7	12.4	13.4
SHEEP AND LAMBS							
Sheep							
Slaughter ewes, Good, San Angelo	11.31	13.25	10.40	6.89	13.33	14.12	15.56
Price received by farmers	10.60	9.56	8.20	8.10	8.70	9.60	9.90
Lamb							
Slaughter, Choice, San Angelo	42.50	36.12	35.25	37.58	39.25	38.25	39.31
Feeder, Choice, San Angelo	32.58	30.42	31.75	36.25	36.42	34.12	35.31
Price received by farmers	38.00	32.70	33.10	34.90	36.10	36.90	38.10
ALL MEAT ANIMALS							
Index number price received by farmers (1967=100)	169	153	151	145	145	145	144
	Dollars per 100 pounds						
MEAT							
Wholesale, Chicago, Carlot							
Steer beef carcass, Choice, 600-700 pounds	73.92	67.00	64.98	62.23	60.38	61.36	58.41
Heifer beef, Choice, 500-600 pounds	73.22	65.70	63.61	60.78	59.47	60.63	57 63
Cow beef, Canner and Cutter	49.93	45.90	41.70	37.96	38.94	36.97	39.62
Lamb carcass, Choice and Prime, 45-55 pounds	82.48	75.64	80.38	---	---	---	---
Fresh pork loins, 8-14 pounds	79.18	76.36	76.52	72.09	72.48	79.25	76.53
	Cents per pound						
Retail, United States average							
Beef, Choice grade	143.4	141.6	136.8	134.4	132.2	132.8	---
Pork, retail cuts and sausage	108.7	109.9	109.0	111.4	112.7	114.9	---
Lamb, Choice grade	142.4	143.6	140.2	139.4	141.8	140.8	---
Index number all meats (BLS)							
Wholesale (1967=100)	169.1	161.3	160.2	155.4	156.0	161.9	---
Retail (1967=100)	162.8	166.7	163.5	163.0	161.7	161.9	---
Beef and veal	169.0	172.9	166.8	163.7	160.1	158.5	---
Pork	158.8	164.8	164.0	166.8	167.1	170.7	---

[1] Average all weights and grades. [2] Bushels of No. 2 Yellow Corn equivalent in value to 100 pounds of slaughter steers sold out of first hands, Omaha, all grades. [3] St. Louis N.S.Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis. [4] Number bushels of corn equivalent in value to 100 pounds of live hogs.

Selected marketings, slaughter and stock statistics for meat animals and meat

Item	Unit	1974						1975
		July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Federally inspected slaughter								
Cattle	1,000 head	2,821	2,876	2,787	3,230	2,929	2,902	3,152
Steers	1,000 head	1,530	1,463	1,442	1,590	1,403	1,403	1,535
Heifers	1,000 head	682	727	686	803	703	694	765
Cows	1,000 head	538	609	588	759	756	742	786
Bulls and stags	1,000 head	71	77	71	78	67	63	66
Calves	1,000 head	164	202	212	279	251	254	284
Sheep and lambs	1,000 head	713	777	842	851	612	595	662
Hogs	1,000 head	5,722	6,363	6,523	7,023	6,402	6,243	6,350
Percentage sows	Percent	9	10	9	8	8	7	5
Average live weight per head								
Cattle	Pounds	1,052	1,039	1,026	1,016	1,026	1,040	1,036
Calves	Pounds	219	226	229	227	211	204	216
Sheep and lambs	Pounds	100	101	102	104	104	106	106
Hogs	Pounds	247	243	243	243	245	246	242
Average dressed weight per head								
Beef	Pounds	634	625	611	607	607	604	609
Veal	Pounds	128	128	133	128	121	116	123
Lamb and mutton	Pounds	49	48	50	51	51	53	52
Pork	Pounds	168	165	165	165	166	187	187
Lard	Pounds	18	17	16	18	17	16	16
Production								
Beef	Mil. lb.	1,784	1,791	1,697	1,956	1,773	1,747	1,914
Veal	Mil. lb.	61	26	28	35	30	29	35
Lamb and mutton	Mil. lb.	34	37	42	43	31	31	34
Pork	Mil. lb.	958	1,202	1,073	1,154	1,062	1,023	1,049
Lard	Mil. lb.	100	113	107	123	108	99	98
Commercial slaughter[1]								
Cattle	1,000 head	3,105	3,168	3,085	3,601	3,268	3,234	3,506
Calves	1,000 head	215	260	286	375	330	342	375
Sheep and lambs	1,000 head	737	807	869	879	634	617	682
Hogs	1,000 head	6,098	6,747	6,877	7,430	6,787	6,672	6,759
Production								
Beef	Mil. lb.	1,942	1,952	1,855	2,149	1,947	1,917	2,100
Veal	Mil. lb.	34	40	47	59	50	51	59
Lamb and mutton	Mil. lb.	36	39	43	44	32	32	35
Pork	Mil. lb.	1,016	1,104	1,127	1,217	1,123	1,091	1,113
Lard	Mil. lb.	105	117	111	128	112	104	103
Cold storage stocks first of month								
Beef	Mil. lb.	441	403	376	347	359	359	402
Veal	Mil. lb.	15	14	13	12	12	13	14
Lamb and mutton	Mil. lb.	16	16	15	14	15	14	14
Pork	Mil. lb.	354	292	254	249	269	302	306
Total meat and meat products[2]	Mil. lb.	917	802	723	693	723	753	803
Imports (carcass weight)								
Beef and veal	Mil. lb.	99	161	135	108	134	149	192
Pork	Mil. lb.	33	25	36	39	40	43	44
Lamb and mutton	Mil. lb.	2	1	1	1	1	1	1
Exports (carcass weight)								
Beef and veal	Mil. lb.	3.82	3.06	3.34	4.04	4.12	4.27	4.09
Pork	Mil. lb.	8.19	13.20	15.63	16.03	10.22	8.02	8.61
Lamb and mutton	Mil lb.	.41	.24	.27	.46	.48	.31	.39
Live animal imports								
Cattle	Number	35,186	12,992	15,317	8,698	6,683	16,136	7,570
Hogs	Number	53,005	13,450	9,646	8,692	11,914	1,612	2,417
Sheep and lambs	Number	61	43	136	136	19	345	2
Live animal exports								
Cattle	Number	6,057	9,183	16,435	31,993	22,745	28,985	25,877
Hogs	Number	1,023	950	1,103	1,912	2,212	1,105	246
Sheep and lambs	Number	18,410	18,074	16,907	27,176	24,515	36,612	29,254

[1] Federally inspected and other commercial. [2] Includes stocks of canned meats in cooler in addition to the meats listed.

UNITED STATES DEPARTMENT OF AGRICULTURE
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